



**State of Utah**

**GARY R. HERBERT**  
*Governor*

**SPENCER J. COX**  
*Lieutenant Governor*

## **GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**

**KRISTEN COX**  
*Executive Director*

August 10, 2017

Lieutenant Governor,

Submitted below is the Governor's Office of Management and Budget's fiscal estimate for the law proposed by the "*Our Schools Now Statewide Initiative*."

The Governor's Office of Management and Budget estimates that, in fiscal year 2020, this proposed initiative would:

- Increase state taxes by \$715,000,000, including a:
  - \$465,000,000 income tax increase (65%); and
  - \$250,000,000 sales tax increase (35%).
- Increase the income tax rate by 0.45%, from 5.00% to 5.45% (a 9% increase from current tax rate); tax increase impacts would exceed 9% for most income tax taxpayers
- Increase the state sales tax rate by 0.45%, from 4.70% to 5.15% (a 9.6% increase from current tax rate)
- Allocate the revenues for education expenses

Economic or taxpayer behavior adjustments would alter these estimates.

In addition, the cost of posting information regarding the initiative in Utah's statewide newspapers and for printing the additional pages in the voter information packet is estimated at \$30,000 in one-time funds.

Should you have any questions, please contact Phil Dean, Budget Director and Chief Economist, at (801) 538-1714.

Sincerely,

Kristen Cox  
Executive Director